

Public Assistance Program Integrity/Fraud Prevention Subcommittee October 14, 2004

Attendance:

Rick Zynda, DHFS/DHCF/BEM; Richard Basiliere, Outagamie County DHHS; Gene Kucharski, Portage County; Barry Chase, DHFS/DHCF; Richard Eddings, Dane County, Sandy Leonhard, Interstate Reporting Co; Mary Obermayr, Interstate Reporting Co.; Jodi Ross, DHFS/DHCF/BEM; Charles Billings, DHFS/DHCF/BEM; Jim Hennen, DHFS/OSF/SERO; Sheila Drays, Dodge County; and Nancy Foss, DHFS/DHCF.

Phone in attendees:

Jim Borgerson, Douglas County

Meeting called to order at 9:40 a.m. by Rick Zynda.

September minutes were approved with no changes.

Note: The Public Assistance Program Integrity/Fraud Prevention website (http://dhfs.wisconsin.gov/em/imac/pa_fraud_committee/index.htm) has been updated. Minutes and agendas have been published. To avoid duplication, recommendations of the subcommittee can be found at the IMAC website.

DHFS Updates:

- ❖ **Right of First Selection Admin Memo** – Due to the fact that the Administrators Memo was not released until September 15th, the response due date has been extended until October 15, 2004 to provide for a 30-day period. As of October 13th, the Department had received 24 responses. The remaining responses expected by the due date. It was announced that Milwaukee County would be staying with Interstate Reporting Co.
- ❖ **Program Integrity/Fraud Prevention Team** – The team met on October 1, 2004. At the meeting, the team discussed
 - **The LAB Report** – Reviewed the newly issued report. Since no one had had the opportunity to study the report in detail, there will be further discussion of the report at a later meeting. The group will be making recommendations on the required plan for the Legislative Audit Committee that is due January 17, 2005.
 - **CARES Access** – The issue of access for contracted employees was discussed in detail. There are several types of contracted employees—those who work full-time for the agency, those who work part-time on a regular basis, and those who only work occasionally.

Access is granted on a “need to know” basis. There was a discussion by the group on whether or not this need has been too narrowly defined. There are different “needs” for different functions. The investigator needs to have access to CARES in order to be able to fact gather as part of the investigation.

It was identified that groups other than this sub-committee raised this issue. Child Welfare workers are also asking for access. Both DWD and DHFS must agree on new profiles for contract workers. More work will be done on this subject by the Program Integrity/Fraud Prevention team.

- **Food Stamp Trafficking** – USDA has sent the Department lists of Quest card numbers of recipients who may have been part of a Food Stamp trafficking scheme. The lists may include up to 500 cases at a time. The card numbers were identified during USDA investigations of stores that turned Food Stamp benefits to cash.
- For example, the recipient purchases an expensive item using the Quest card. The item then is returned and the recipient given a gift card which they then use for alcohol in another section of the store. When the storeowner found guilty of such transactions, FNS decertifies the store with no further action.

Sandy Leonhard of Interstate Reporting Company reported that most of the stores involved do not have transaction records that can be reviewed. Often the stores are small, corner store operations that do not have automated records. IRC has been told that the store records are either off limits or of marginal use. If a store is currently under investigation, the Department can not request store records until the USDA investigation is complete.

Since the fact gathering must be done prior to the recipient being called in for review, these cases are time intensive. Therefore, it is difficult to prove that the benefits were used illegally by the recipients. Also, the dollar amounts appear to be low for any one recipient.

The cases that have been referred are all in the Milwaukee County area. There are 130 very old cases in the backlog. The group discussed potential ways to handle these types of investigations.

- **Data Match Processing** – At issue is the safeguard policies at the county level. The state has begun using PARIS to retrieve IRS Unearned Income data and BEER Wage Matches. The Department is looking at whether or not to designate a staff person who would be required to review data received from IRS or other data sources prior to sending the information on to the county workers. Once verified by the state, the data is no longer under the control of the IRS. Conflicting priorities have moved this issue to the backburner for the Data Exchange Workgroup.
- **Data Collection** – The Department is looking at better data collection methods. Options will be brought back to the Sub-committee.
- ❖ **Fraud Plan/Allocations** – No report at this time as the Department has not made a decision on the 2005 allocations. The intent is to complete allocations earlier than last year.

- ❖ **September IMAC Report** – The Sub-committee members held a lengthy discussion on the subject of the BV screens in CARES. County Workers have identified that they are having difficulty with the calculation of an overpayment amount. It was identified that the workers may be trying to calculate the overpayment amount before they have all of the facts needed to make the determination.

Many workers are not entering work done as front-end verification on CARES screen BVIR because there is no benefit to recover—only a benefit savings. As a result, the department does not have the data available as to how much error prevention is actually occurring. Any investigation beyond routine verification should be tracked on CARES. Are the workers using the CARES system the way it was designed? If so, this is a training issue.

- **The Process** – The correct process when error or fraud is suspected is that the county worker should make a referral to the investigator. The investigation will then occur where all facts in the case are gathered. Once the error or fraud is determined, then the benefit overpayment recovery amount should be calculated. (Potential training issue)
- **When to Refer a Case** – “Questionable” data should be investigated at the time of application or review. There has been no change in this requirement. However, program integrity “investigation” can be done at anytime if there is a reason to question whether or not the data used in determining eligibility was accurate. (Another potential training issue)
- **Front-End Verification** – Front-end verification is an intensive review of all aspects of the case. It is not a desk review. The work should trigger the BVIR and BVIT screens in CARES. When investigation work is done by the worker and not tracked in CARES, the work is also not being reported to the correct pot of IM funding.
- **CARES Screens** – There are four screens that should be used in the BV process. BVIR creates the case. BVIT tracks the case process. BVPI records the results of the overpayment calculation. BVCC is the screen used for case comments.
- **“Fix the Process”** – The Sub-committee members felt that the program integrity process needs to be fixed. Options identified include 1) make the work pay-for-performance and 2) increased state monitoring of performance. At a minimum, the need for instructions on how and when to use the screens should be developed and sent to the counties.

It was recommended that at a minimum, one individual in each county should be responsible for entering FEV/Fraud data into a “system” whether the person is an employee of a state agency, a county, or a tribe. There was some discussion on whether or not Public Assistance Fraud functions should be transferred to the Department of Justice to ensure an impartial third party would be responsible.

There was agreement that the Department should continue to provide training in the area of program integrity. There should also be identification of further automation. Finally, in 2006, if funding is available, there should be further consideration of requiring specialization of the workers assigned to program integrity functions at the state and county level.

Because the data received is often three months old or older, concerns were raised that data exchanges are good but they often create more questions than provide facts for the investigations.

WAPAF Conference

Rich Basiliere reported that a good conference was held but had low attendance (approximately 51 attendees). Next year the annual training conference will be held April 28-29. Some of the topics on the tentative agenda include “What is an investigation?” “What is a Food Stamp error?” and changes in the Food Stamp reporting requirements.

LAB Report

Both state and county workers provided information used in the report. No client errors were reported – just worker error. During the next several months, the Department will be formulating a plan on how to meet program integrity needs identified in the report. The plan is due to the Legislative Audit Committee on January 17, 2005. The draft plan will be shared with the Sub-committee members at either the December or January meeting.

DWD Updates:

There were no updates as Fay Simonini was unable to attend the meeting due to a scheduling conflict.

Next meeting – November 11 – WI Department of Agriculture Building – 9:30 am – 12:00 p.m.
Agenda items should be forward to Rick Zynda by November 4, 2004
Minute taker – Gene Kucharski

By Nancy Foss